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SUBJECT: REP. FILNER'S MEETING WITH PRESIDENT ARROYO

¶1. (SBU) SUMMARY: In a November 23 meeting at Malacanang Palace, President Arroyo thanked Representative Bob Filner for his successful effort to secure additional benefits for an expanded group of Filipino and Filipino-American veterans. The Congressman and the President also discussed how the SAVE Act would benefit Philippine apparel exporters and U.S. textile producers; Philippine efforts toward qualifying for Millennium Challenge Corporation funding; the effort to secure peace in Mindanao before the end of the Arroyo administration; and immigration for Philippine nurses. END SUMMARY.

¶2. (U) Participants:

UNITED STATES  
Representative Bob Filner  
Ambassador Kristie A. Kenney  
Tony Buckles, House Veterans Affairs Committee  
Jon Skelly, USDVA  
Peter Hemsch, Embassy notetaker

PHILIPPINES  
Foreign Affairs Secretary Alberto Romulo  
Interim National Defense Secretary Norberto Gonzales  
Undersecretary Ernesto Carolina, DND  
Assistant Secretary Lourdes Yparraguirre, DFA  
Deena Joy Amatong, DFA

Veteran's Benefits  
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¶3. (SBU) In a November 23 meeting at the Presidential palace, President Arroyo thanked Representative Bob Filner for his successful effort to secure U.S. legislation that granted additional veterans benefits to an expanded group of Filipinos and Filipino-Americans. President Arroyo noted that Rep. Filner had worked on the issue for a long period of time and had found a solution even when the situation looked bleak for the legislation.

¶4. (SBU) Rep. Filner said that he and President Arroyo had made a great two-person team for securing veterans benefits. Rep. Filner said that the prospects for the legislation had improved when the new U.S. Congress was seated in January 2009 and Sen. Inouye, Sen. Akaka, and he -- all of whom have a strong interest in Philippine issues -- assumed key committee positions. Then the idea of a one-time payment came up and Sen. Inouye was able to push it through.

¶5. (SBU) Ambassador Kenney commended the Philippine Veterans Affairs Office for their support for the U.S. Department of Veterans Affairs' energetic nationwide outreach to veterans after the legislation passed, to include providing venues for U.S. Mission Manila's USDVA staff to receive claims. As a result of those efforts, over \$125 million in benefits has already been disbursed. Rep. Filner agreed, complimenting the USDVA effort and commenting that he had seen similar

benefits take a much greater amount of time to be disbursed. He also noted the contribution made by the Philippine Embassy in Washington in educating the Congress on the issue.

#### SAVE Act

¶6. (SBU) Rep. Filner asked President Arroyo what new issues they could work on now that veterans benefits had been secured. Arroyo described the legislation known as the SAVE Act (Save Our Industries Act; HR 3039), which would benefit Philippine apparel exporters and the U.S. textile producers. The draft bill would grant a 50-100 percent reduction in U.S. duties for certain apparel which is assembled in the Philippines using U.S. textile components. The President said that Philippines has a strong apparel industry which uses foreign-made textile components, and that these components might as well come from the U.S.

¶7. (SBU) Rep. Filner said the SAVE Act was notable because, by benefiting U.S. textile manufacturers, it would be of interest to a segment of the U.S. beyond the traditional congressional districts with large Philippine-American communities.

#### Millennium Challenge Corporation

¶8. (SBU) Ambassador Kenney noted that she had briefed Rep. Filner on the Philippines' case for Millennium Challenge Corporation (MCC) funding. President Arroyo said that, like all developing countries, the Philippines faces a challenge

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in meeting the corruption indicator. Her government is working to combat corruption, but the scale of the problem is exaggerated by the very free press (with which she does not want to interfere). Arroyo added the Philippines had come close to securing MCC funding as a Lower Income country; however, their change to a Lower Middle Income country this year meant they had to attain a higher standard on the MCC criteria.

¶9. (SBU) Foreign Secretary Romulo said that Sen. Inouye has drafted an amendment to pending MCC legislation that would have the Philippines (and Indonesia and Colombia) judged under the Lower Income country criteria.

#### Mindanao Peace Process

¶10. (SBU) Rep. Filner asked President Arroyo whether a peace deal with the Moro Islamic Liberation Front (MILF) was possible before the end of her term. Arroyo said that she is hopeful, noting that the MILF wants a peace deal now because they cannot be sure what the new administration's position will be. Foreign Secretary Romulo added that, during Secretary Clinton's recent visit here, she had spoken of the lost opportunity for Mideast peace at the end of President Clinton's second term. Arroyo then asked Romulo to provide information on that historical episode to the MILF.

¶11. (SBU) Ambassador Kenney commented that Rep. Filner would be traveling to Zamboanga to meet with members of the U.S. Joint Special Operations Task Force-Philippines. President Arroyo replied that U.S. soldiers are "so very welcome there."

#### Immigration for Philippine Nurses

¶12. (SBU) Rep. Filner praised the important contribution that Philippine nurses are making in the U.S., but expressed his concern that this immigration constituted a loss of human resources for the Philippines. Would it be helpful, he asked, for the U.S. to accept Philippine medical personnel for a five-year period and then require them to return home.

President Arroyo said that the key problem facing Philippine nurses was lack of practicum training hours. If the U.S. could help upgrade medical facilities to provide expanded practicum opportunities, that would be very useful.

¶13. (SBU) President Arroyo concluded the meeting by thanking Rep. Filner again for all that he has done for the Philippines and calling him a good friend to her and the Filipino people.

¶14. (U) Rep. Filner cleared this cable.  
KENNEY